



# SATIA INDUSTRIES LIMITED

EARNINGS PRESENTATION  
Q4-FY19 / FY19



SATIA INDUSTRIES LIMITED  
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

# Executive Summary



## Company Overview



- Incorporated in 1980, Satia Industries Limited (SIL), is one of the biggest and completely integrated Wood and Agro based paper manufacturers.
- SIL's products are extensively used in the printing of books, directories, envelopes, diaries, calendars, computer stationery, copy manufacture annual reports, etc.

## Key Clientele



- SIL has long standing relationship with State Text book Corporations and around 40% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

## Manufacturing and Distribution Network:



- Manufacturing plant based out of Muktsar with capacity to manufacture over 1,25,000 MT per annum.
- Completely integrated manufacturing operations with 3 paper machines, 100% in-house power generation and effluent treatment.
- Strong Distribution Network: 70 dealers and 3 branch offices.

## FY19 Financial Snapshot

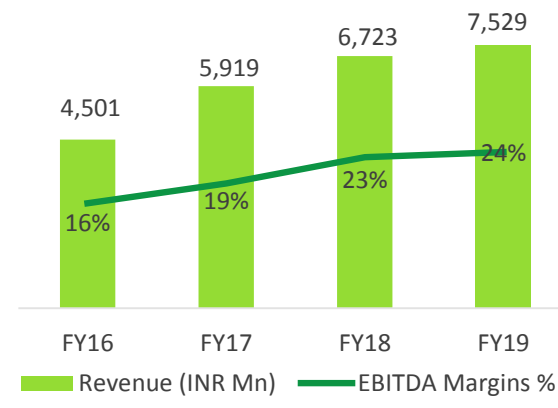
Revenue INR 7,529 Mn	EBITDA INR 1,786 Mn	EBITDA Margin 23.72%	
PAT INR 878 Mn	PAT Margin 11.66%	ROE 29%	ROCE 26%

# About The Company

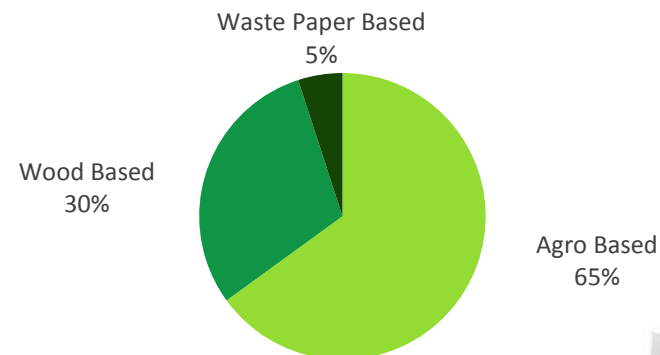


- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, etc.
- The Company has a fully integrated manufacturing facility, which includes paper machines, pulping machinery, chemical recovery plant and power generation plant.
- Fully integrated production facility gives superior advantage in terms of cost efficiency and environmental compliance, ultimately leading to superior margin profile compared to peers.
- With a view to improve the quality of pulp and also to save on cooking chemicals, a Continuous Digester has been installed by the Company.
- The product profile includes Super Snow White, Snow White, Photocopier paper, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper - with and without watermarks and Chromo (Art) paper from GSM range 42 to 200 GSM.
- Satia Industries Limited market its product through dealer network located all over India and through Branches at Jaipur, Delhi & Chandigarh.

### Revenue (INR Mn) & EBITDA Margin (%)



### Raw Materials Used of Total Volumes





# Q4 – FY19 / FY19 Financial Overview



**SATIA INDUSTRIES LIMITED**  
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# Q4-FY19 / FY19 Financial Highlights



## Q4-FY19 Financial Highlights (Standalone)

<b>Total Revenue</b>	<b>INR 2,013 Mn</b>
<b>EBITDA</b>	<b>INR 479 Mn</b>
<b>EBITDA Margin</b>	<b>23.80%</b>
<b>Net Profit</b>	<b>INR 285 Mn</b>
<b>PAT Margin</b>	<b>14.16%</b>
<b>Diluted EPS</b>	<b>INR 28.50 / Share</b>

## FY19 Financial Highlights (Standalone)

<b>Total Revenue</b>	<b>INR 7,529 Mn</b>
<b>EBITDA</b>	<b>INR 1,786 Mn</b>
<b>EBITDA Margin</b>	<b>23.72%</b>
<b>Net Profit</b>	<b>INR 878 Mn</b>
<b>PAT Margin</b>	<b>11.66%</b>
<b>Diluted EPS</b>	<b>INR 87.77 / Share</b>

# Q4-FY19 Operational Highlights



- Sales increased by over 7.5% over the last quarter from 29,106 MT to 31,307 MT in Q4-FY19.
- Realisations increased by almost 3.3% over the last quarter from INR 59,000 per tonne to almost INR 61,000 tonne.
- Order Book stands at 15,000 MT by the close of Q4-FY19.
- As of FY19 our paper production stood at 123,000 MT as compared to 113,517 MT in FY18 which is a Y-o-Y increase of 8.4%.
- PM 1 speed has been increased from 550 mpm to 700 mpm after upgradation and corresponding gain in production will come in the future.
- Pulp mill wood pulping section capacity has been enhanced to increase more and better wood pulp in furnish.
- Modernisation and exhaustive maintenance of Soda Recovery plant has helped increase in efficiency and productivity of the same.
- In house Power generation has been increased from 17.7 MW to 19.2 MW.
- The Board has recommended final dividend of INR 1.50 per share (i.e. 15%) (Face Value INR 10 per share) making it a total of 25% for the Financial Year 2019.
- The Board of Directors at their meeting held on 9<sup>th</sup> May, 2019 have decided to sub-divide its Share Capital to 10 Equity Shares having a face value of INR 1 per share.



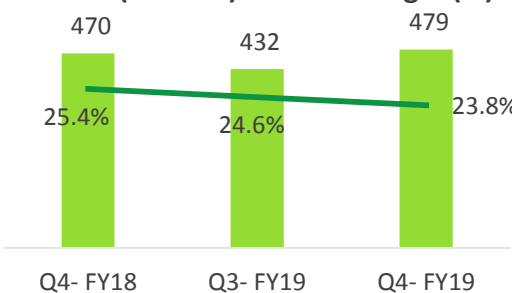
# Quarterly Financial Trends



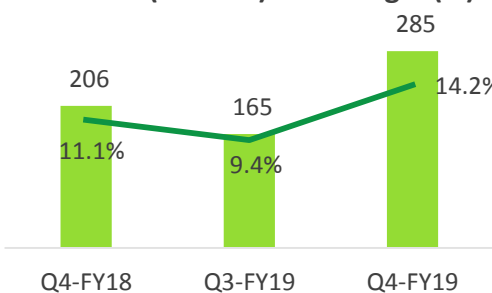
### Revenue (INR Mn)



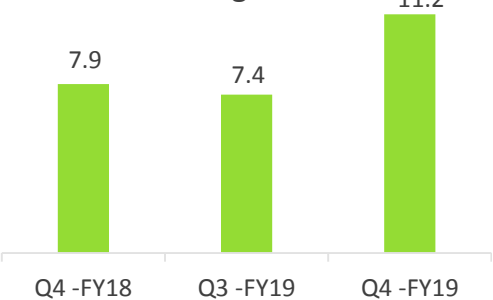
### EBITDA (INR Mn) EBITDA Margin (%)



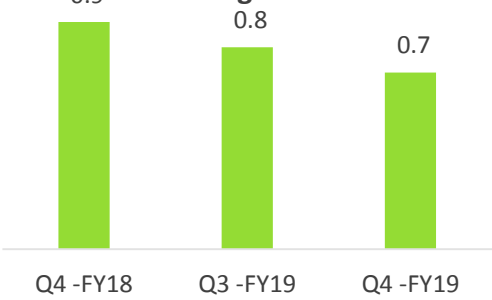
### PAT (INR Mn) PAT Margin (%)



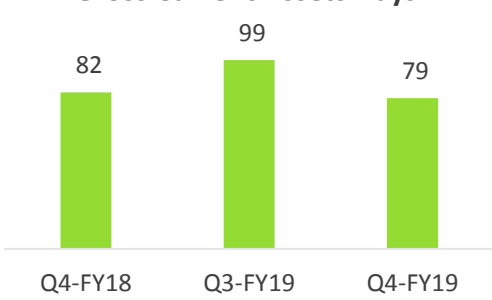
### Interest Coverage Ratio



### Gearing Ratio



### Gross Current Assets Days



# Q4-FY19 Income Statement



PARTICULARS (INR Mn)	Q4-FY19	Q4-FY18	Y-O-Y	Q3-FY19	Q-o-Q
<b>Total Income*</b>	<b>2,013</b>	<b>1,853</b>	<b>8.6%</b>	<b>1,758</b>	<b>14.5%</b>
Total Expenses	1,534	1,383	10.9%	1,326	15.7%
<b>EBITDA</b>	<b>479</b>	<b>470</b>	<b>1.9%</b>	<b>432</b>	<b>10.9%</b>
<b>EBITDA Margin</b>	<b>23.80%</b>	<b>25.36%</b>	<b>(156) Bps</b>	<b>24.57%</b>	<b>(77) Bps</b>
Depreciation	128	116	10.3%	126	1.6%
Finance Cost	43	59	(27.1)%	58	(25.9)%
Exceptional Items	-	-	-	-	-
<b>PBT</b>	<b>308</b>	<b>295</b>	<b>4.4%</b>	<b>248</b>	<b>24.2%</b>
Tax	23	89	(74.2)%	83	(72.3)%
<b>Profit After Tax</b>	<b>285</b>	<b>206</b>	<b>38.3%</b>	<b>165</b>	<b>72.7%</b>
<b>PAT Margin</b>	<b>14.16%</b>	<b>11.12%</b>	<b>304 Bps</b>	<b>9.39%</b>	<b>477 Bps</b>
Other Comprehensive Income	8	(6)	NA	(2)	NA
<b>Total Comprehensive Income</b>	<b>293</b>	<b>200</b>	<b>46.5%</b>	<b>163</b>	<b>79.8%</b>
<b>Diluted EPS (INR ) (Not Annualised)</b>	<b>28.50</b>	<b>20.55</b>	<b>38.7%</b>	<b>16.47</b>	<b>73.0%</b>

\* Includes other income



# FY19 Income Statement



PARTICULARS (INR Mn)	FY19	FY18	Y-O-Y
<b>Total Income*</b>	<b>7,529</b>	<b>6,723</b>	<b>12.0%</b>
Total Expenses	5,743	5,202	10.4%
<b>EBITDA</b>	<b>1,786</b>	<b>1,521</b>	<b>17.4%</b>
<b>EBITDA Margin</b>	<b>23.72%</b>	<b>22.62%</b>	<b>110 bps</b>
Depreciation	477	450	6.0%
Finance Cost	208	237	(12.2)%
Exceptional Items	-	-	NA
<b>PBT</b>	<b>1,101</b>	<b>834</b>	<b>32.0%</b>
Tax	223	147	51.7%
<b>Profit After Tax</b>	<b>878</b>	<b>687</b>	<b>27.8%</b>
<b>PAT Margin</b>	<b>11.66%</b>	<b>10.22%</b>	<b>144 bps</b>
Other Comprehensive Income	2	(8)	NA
<b>Total Comprehensive Income</b>	<b>880</b>	<b>679</b>	<b>29.6%</b>
<b>Diluted EPS (INR per share)</b>	<b>87.77</b>	<b>68.67</b>	<b>27.8%</b>

\* Includes other income



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## Historical Financial Overview

# Standalone Income Statement



PARTICULARS (INR Mn)	FY14	FY15	FY16	FY17*	FY18*	FY19*
<b>Total Income#</b>	<b>3,869</b>	<b>3,982</b>	<b>4,501</b>	<b>5,919</b>	<b>6,723</b>	<b>7,529</b>
Total Expenses	3,337	3,289	3,801	4,799	5,202	5,743
<b>EBITDA</b>	<b>532</b>	<b>693</b>	<b>700</b>	<b>1,120</b>	<b>1,521</b>	<b>1,786</b>
<b>EBITDA Margin</b>	<b>13.75%</b>	<b>17.40%</b>	<b>15.55%</b>	<b>18.92%</b>	<b>22.62%</b>	<b>23.72%</b>
Depreciation	267	530	332	400	450	477
Finance Cost	156	163	251	245	237	208
Extraordinary Items	(4)	(1)	(16)	-	-	-
<b>PBT</b>	<b>105</b>	<b>(1)</b>	<b>101</b>	<b>475</b>	<b>834</b>	<b>1,101</b>
Tax	(30)	(79)	(30)	20	147	223
<b>Profit After Tax</b>	<b>135</b>	<b>78</b>	<b>131</b>	<b>455</b>	<b>687</b>	<b>878</b>
<b>PAT Margin</b>	<b>3.49%</b>	<b>1.96%</b>	<b>2.91%</b>	<b>7.69%</b>	<b>10.22%</b>	<b>11.66%</b>
Other Comprehensive Income	-	-	-	(2)	(8)	2
<b>Total Comprehensive Income</b>	<b>135</b>	<b>78</b>	<b>131</b>	<b>453</b>	<b>679</b>	<b>880</b>
<b>EPS (INR per share)</b>	<b>13.34</b>	<b>7.84</b>	<b>13.12</b>	<b>45.55</b>	<b>68.67</b>	<b>87.77</b>

\* As per IND-AS

# Includes other income

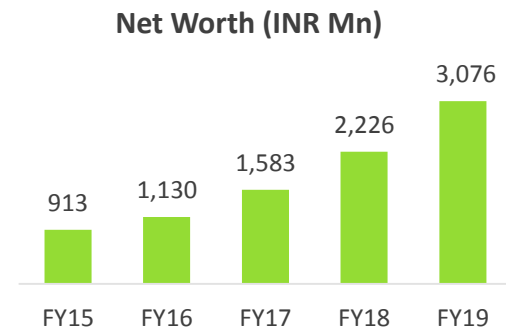
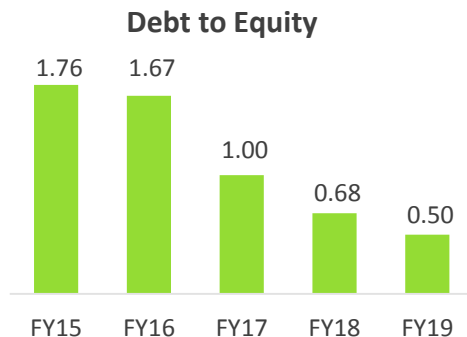
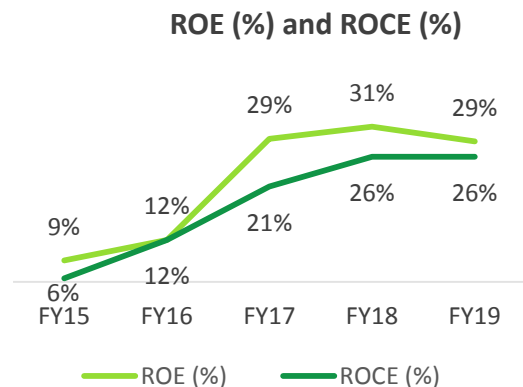
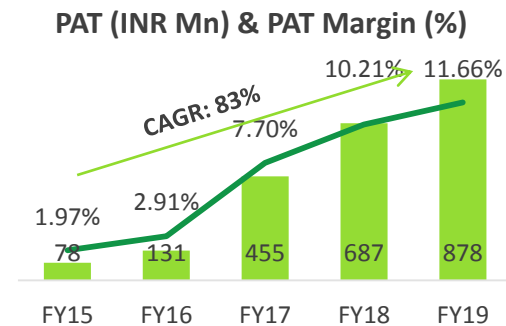
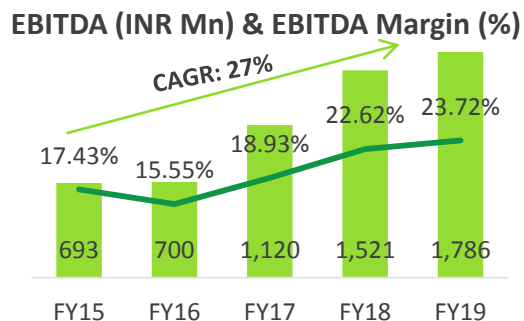
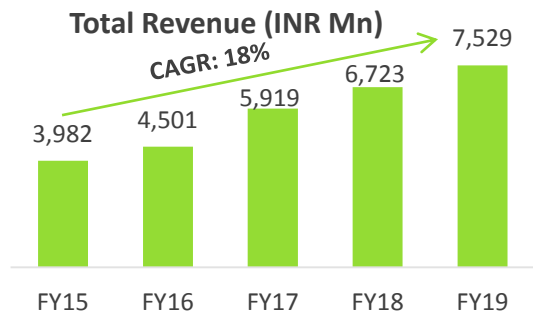
# Standalone Balance Sheet\*



PARTICULARS (INR Mn)	FY17	FY18	FY19	PARTICULARS (INR Mn)	FY17	FY18	FY19
<b>Equity</b>	<b>1,583</b>	<b>2,226</b>	<b>3,076</b>	<b>Non-Current Assets</b>	<b>3,124</b>	<b>3,540</b>	<b>4,505</b>
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	2,914	3,119	3,827
Other Equity	1,483	2,126	2,976	b) Capital Work In Progress	99	295	561
				c) Financial Assets			
				(i) Investments	30	29	31
<b>Non-Current Liabilities</b>	<b>1,802</b>	<b>1,819</b>	<b>1,957</b>	(ii) Loans	31	35	17
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	910	1,054	d) Deferred Tax Asset (Net)	32	48	59
(ii) Other Financial liabilities	838	837	823	e) Other Non-Current Assets	8	4	-
b) Other Non-Current Liabilities	4	3	3				
c) Provisions	50	69	77				
				<b>Current Assets</b>	<b>1,835</b>	<b>2,278</b>	<b>2,099</b>
				a) Inventories	278	526	599
<b>Current Liabilities</b>	<b>1,574</b>	<b>1,773</b>	<b>1,571</b>	b) Biological Assets other than bearer plants	179	295	303
a) Financial Liabilities				c) Financial Assets			
(i) Borrowings	744	676	537	(i) Trade Receivables	1,049	1,179	1,057
(ii) Trade Payables	296	447	454	(ii) Cash and Cash Equivalents	3	13	5
(iii) Other Financial Liabilities	465	468	516	(iii) Bank balances other than above	74	64	35
b) Current tax liabilities (net)	-	-	13	(iv) Other financial assets	18	23	26
c) Other Current Liabilities	54	164	44	d) Current Tax Assets (Net)	19	21	-
d) Provisions	15	18	7	e) Other Current Assets	215	157	74
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>4,959</b>	<b>5,818</b>	<b>6,604</b>	<b>GRAND TOTAL – ASSETS</b>	<b>4,959</b>	<b>5,818</b>	<b>6,604</b>

\*As per IND-AS

# Financial Highlights

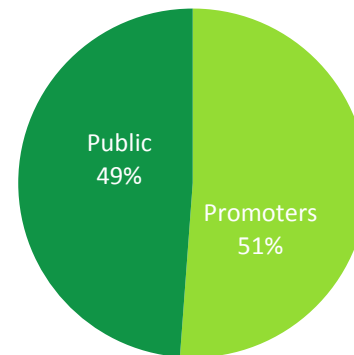


# Capital Market Data



Price Data (31 <sup>st</sup> March, 2019)	INR
Face Value	10.00
Market Price	626.1
52 Week H/L	718.60/ 202.02
Market Cap (Mn)	6261.00
Equity Shares Outstanding (Mn)	10.00
1 Year Avg Trading Volume ('000)	3.86

Shareholding Pattern as on 31<sup>st</sup> March, 2019



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Thank You